



City of Santa Barbara Affordable Housing Program Eligibility Requirements

- Each buyer must live or work within the south coast area of Santa Barbara County (from Gaviota to the Ventura County line).
- Each buyer must certify his/her/their intent to occupy the affordable unit as his/her/their principal place of residence.
- Buyers cannot have any form of ownership or ownership interest in residential real estate at the time of application. Residential real estate is defined as residential real property including single family dwellings, undeveloped residentially-zoned land, mobile homes and manufactured housing.
- If the buyer(s) owned residential real estate at any time during the past two years, the buyer(s) total equity in that property cannot exceed 50% of the purchase price of the affordable unit. For example, if you sold your home in the past two years and your equity (net proceeds) from that sale were \$100,000 then you could only qualify to purchase an affordable unit that is priced at \$200,000 or higher.
- The combined annual gross income of ALL household members cannot exceed the maximum amount allowed for the income category designated for the particular affordable housing unit. Household is defined as “all those persons—related or unrelated—who occupy a single housing unit.” Income earned from investment assets and all other documented income will be included in the computation of annual income.
- The maximum value of buyer(s) assets, excluding retirement accounts subject to IRS rules, cannot exceed three times the purchase price of the affordable unit.
- Buyer’s monthly housing cost (including mortgage loan payments, mortgage insurance, HOA dues, property taxes and insurance) can be no less than 20% and no more than 40% of a buyer’s monthly income (not including the co-signers income, if applicable). In the case of an adjustable rate mortgage, the mortgage loan payment for this calculation shall be based on the fully indexed rate or start rate, whichever is greater.
- Buyer’s total debt-to-income ratio cannot exceed 50%.
- Buyers cannot obtain or assume purchase money financing which requires graduated interest, graduated payments, interest-only payments, balloon payments or negative amortization.
- Buyers are required to provide a down payment of at least 5% of the purchase price. A buyer’s down payment cannot exceed 40% of the purchase price. Gift amount cannot exceed 20% of the purchase price.
- Buyers are allowed to have a co-signer, if needed, to help them qualify for a loan. However, the co-signers income will not be included when calculating the buyer’s housing cost-to-income ratio and total debt-to-income ratio.
- Buyers are required to have a FICO credit score of at least 620.
- A three-bedroom unit requires a minimum household size of three.
- ALL adults (18 and older) in the household must be owners of record and are subject to all eligibility requirements.

This is a brief summary. For more detailed information, please review the Affordable Covenant and Option to Purchase online at: <http://santabarbaraca.gov/services/hhs/housing/develop/docs.asp>

	Maximum Income by Category & Household Size <small>(effective 3/6/2015)</small>					
	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS
Low Income	\$ 44,950	\$ 51,350	\$ 57,750	\$ 64,150	\$ 69,300	\$ 74,450
Moderate Income	\$ 63,336	\$ 72,384	\$ 81,432	\$ 90,480	\$ 97,718	\$ 104,957
Middle Income	\$ 84,448	\$ 96,512	\$ 108,576	\$ 120,640	\$ 130,291	\$ 139,942
Upper-Middle Income	\$ 105,560	\$ 120,640	\$ 135,720	\$ 150,800	\$ 162,864	\$ 174,928